



**Testimony of Susan Bransfield
on Behalf of the Connecticut Council of Small Towns
Before the Appropriations Committee
of the Connecticut General Assembly
March 2, 2010**

Good morning Senator Harp, Representative Geragosian and members of the Committee. My name is Susan Bransfield, and I'm the First Selectwoman of the Town of Portland. I'm also President of the Connecticut Council of Small Towns.

We know you're very busy working under extraordinary circumstances to develop budget recommendations for FY 2010-11. Recognizing these pressures, I'd like to express my great appreciation to the Committee - on behalf of COST's membership - for taking time to hold this informational forum concerning the impact of the Governor's proposed state budget on Connecticut municipalities.

You'll be hearing shortly from other COST's representatives who'll comment in more depth on important municipal grant programs and related policy issues. So, I'd like to give you COST's general perspectives on the issue of state aid to towns and cities.

STATE AID TO TOWNS AND CITIES MUST BE MAINTAINED

The Governor's proposed budget had decent news for COST member towns, primarily due to the fact that - with some notable exceptions to individual towns - it proposes maintaining statutory grants to towns and cities at current levels.

I know most of you to have tried hard to hold towns harmless from the economic

difficulties we face at the state and local levels. And we applaud you for what you have done.

Going forward, we understand that you're going to be facing great stress in developing a proposed FY 2010-11 budget. While COST recognizes the growing and extreme fiscal pressures facing the State, we don't believe these pressures justify a failure to maintain state funding for statutory grants to municipalities. Cuts in funding for essential programs like K-12 education and special education, Pequot grants, and PILOTs will merely shift the State's fiscal burdens to municipalities, and will result in additional cuts in essential local services and/or untenable increases in local property taxes in our towns and your districts.

TOWN OF PORTLAND – CASE IN POINT

Using the numbers in the Governor's proposed budget, the Town of Portland's General Fund would receive a total amount of state aid in FY 2010-11 that would be almost the same as we received this fiscal year. Needless to say, local education aid accounts for the lion's share of this amount. While the total package of municipal aid extremely important to the town of Portland, ECS grants are huge. And we again implore you to continue at least level funding for this and other municipal aid programs. Cuts in local aid will obviously have a direct, negative impact on our already "lean and mean" operations and our local taxpayers.

As you know most towns deliver local governments services on an extremely efficient basis. Given perpetually increasing pressures on the local property tax, towns have nowhere else to turn to fill the funding gaps that flat/reduced funding creates. In the Town of Portland's case, as I suspect in most other towns, this will mean even more cuts in services and increases in taxes.

800 POUND GORILLA

I know we're here to discuss the next fiscal year and levels of FY 2010-11 municipal aid that this Committee will recommend to the Legislature for adoption. However, I'd also like to at least mention the 800 pound gorilla in the room: that's the question of what the state – and its towns - will do if federal stimulus funds that made up a significant portion of this year's Education Cost

Sharing grant are not extended by Congress. Hopefully the fiscal “Armageddon” implicit in such an outcome will not come to pass. In any event, COST stands ready to work with you as your partner on planning for the future and improving our system for financing essential municipal services.

UNFUNDED STATE MANDATES

I would be remiss if I didn’t at least mention unfunded state mandates, which put an unfair fiscal burden on towns. Given current limited levels of state aid, towns cannot afford existing or new unfunded mandates. In this vein we applaud Governor Rell for proposing the reform of certain existing mandates and calling for the prohibition of new mandates. We also applaud Speaker Donovan for creating the M.O.R.E subcommittee on unfunded mandates. You’ll be hearing more from my colleagues on this issue so let me just say that we hope you and your fellow legislators will take action this year to provide towns with some sorely needed mandate relief – which could translate into meaningful property tax relief.

CONCLUDING OBSERVATIONS

I know you must get tired of seeing local leaders come to the Capitol – hats in hand – urging you to provide us money to address municipal problems. Believe me, we don’t like being forced to - in essence - beg the legislature for the funds needed to fill the often large gaps between what can be raised from the local property tax and what is needed to fulfill our service responsibilities. But, that’s the nature of our current system for financing municipal services...and we sincerely appreciate your willingness to listen – and respond.

Thank you for your thoughtful consideration. As I said at the outset, some of my COST colleagues and other municipal leaders will be testifying on specific high-priority state aid programs, but I’d be happy to answer any questions that you may have about my statement.

